



**Commonwealth
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Finance and Policy

Massachusetts Acute Hospital Financial Performance

Fiscal Year 2011, Q1-Q3

October 1st 2010 - June 30th 2011

Report Released May 2012



About the New Format

As loyal readers of the DHCFP hospital financial reports will have already noticed, this edition is the first format update of this report in several years. This update is consistent with the Division's continuing emphasis on providing timely, relevant, and accurate information. In developing this update, the Division worked to better highlight key information and increase the readability of the report. For instance, the hospital details on every page allow for easy comparisons between individual hospitals and a clear sense of the performance of hospital cohorts, and the bulleted text identifies key trends and provides useful context.

Close readers will also note that in order to better focus on the most relevant metrics, we chose to drop several charts from the quarterly edition of this report. These charts (Days in Accounts Receivable, Average Payment Period, Equity Financing and Debt Service Coverage), will be provided in the annual report, and the data underlying these charts are presented in a databook released concurrently with this report. (The databook contains all data reported in this report as well as all the data reported in the prior version in order to facilitate additional analysis.) Finally, this report contains information on Cash Flow to Total Debt, which was previously reported only annually.

We hope our readers appreciate these changes.

Key Findings FY11, Q1 - Q3



This report examines hospital profitability, liquidity, and solvency in order to monitor and compare the financial status of acute care hospitals. Presented are industry analyses and comparisons of financial performance trends of different hospital cohorts: teaching hospitals versus community hospitals, and Disproportionate Share Hospitals (DSHs) versus Non-Disproportionate Share Hospitals. The report fiscal year is based on the fiscal year of the majority of Massachusetts hospitals: October 1st through September 30th. The financial data used in this report is cumulative from quarter one through quarter three. It is referred to as FY11Q3 through out this report.

Massachusetts Acute Hospital Financial Performance FY11Q3 Medians

Additional Data

Hospital fact sheets and supplemental data released with this report include additional financial metrics not reported here.

More information can be found on our website at www.mass.gov/dhcfp.

	Total Margin	Operating Margin	Non-Operating Margin	Current Ratio	Cash Flow to Total Debt
Statewide Median (65 hospitals)	2.7% 2.6%	1.4% 2.0%	0.7% 0.7%	1.40 1.55	12.9% 16.9%
Teaching Hospitals (15 hospitals)	5.6% 5.3%	3.5% 4.2%	0.9% 1.2%	1.52 1.55	16.2% 18.7%
Community Hospitals (50 hospitals)	1.8% 2.3%	1.2% 1.6%	0.7% 0.5%	1.40 1.55	12.3% 15.5%
Disproportionate Share Hospitals (26 hospitals)	1.4% 1.9%	1.1% 1.2%	0.3% 0.4%	1.18 1.39	9.6% 15.6%
Non-Disproportionate Share Hospitals (39 hospitals)	4.1% 3.1%	2.4% 2.4%	1.1% 0.7%	1.52 1.57	14.4% 17.3%

Key: FY11Q3 results compared with FY10 year end results (grey value): Same Value , Improved , Declined

- Overall hospital profitability improved slightly from FY10 to FY11Q3. The median total margin was 2.7% in FY11Q3 versus 2.6% in FY10.
- Liquidity is a hospital's ability to meet current debt payments with cash and other current assets. Liquidity, as measured by current ratio, decreased in the third quarter of 2011. The median current ratio fell to 1.40 from 1.55 in FY10.
- The median ratio of cash flow to total debt fell to 12.9% in FY11Q3 from 16.9% in FY10. This is a measure of solvency or long-term financial health.
- Hospitals in the Southeast region had the highest median total margin. The regional total margins ranged from 4.8% at hospitals in the Southeast region to 0.4% for hospitals in the Metro Boston region.

MA Region Medians	Total Margin %
Statewide Median (65 hospitals)	2.7%
Southeast Region (11 hospitals)	4.8%
Central Region (8 hospitals)	4.0%
Western Region (11 hospitals)	1.6%
Northeast Region (10 hospitals)	1.3%
Metro Boston Region (25 hospitals)	0.4%

Profitability

Liquidity

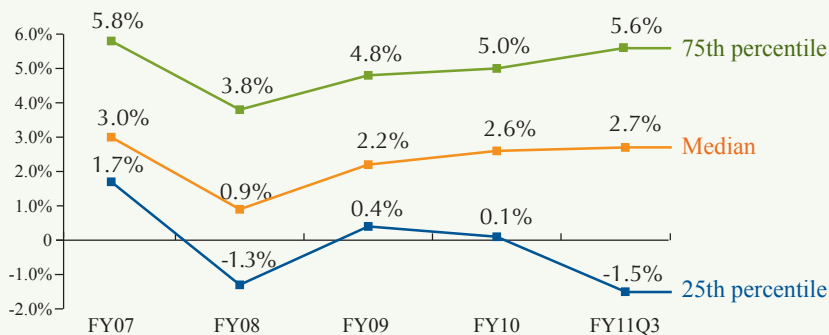
Solvency

Profitability measures a hospital's ability to generate earnings as compared to its expenses and is expressed here by three ratios: total margin, operating margin, and non-operating margin.

Total Margin

Total Margin reflects the excess of total revenues over total expenses, including operating and non-operating activities such as investment income. In Massachusetts, the median hospital total margin improved slightly from 2.6% in FY10 to 2.7% in FY11Q3. Twenty-three out of sixty-five hospitals (35%) reported total margin losses in FY11Q3.

Acute Hospital Total Margin



Benchmark: Northeast US median FY09 = 1.50%
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2011)

- The median total margin for hospitals in the lower quartile experienced a significant decline. The statewide median total margin remained relatively flat, and the median total margin for hospitals in the upper quartile rose from 5.0% in FY10 to 5.6% in FY11Q3.
- The profitability gap between teaching hospitals and community hospitals expanded in FY11Q3. The median total margin at teaching hospitals was 3.8 percentage points higher than community hospitals.
- Disproportionate Share Hospitals (DSH) continue to report lower profitability than Non-Disproportionate Share Hospitals (Non-DSH). The DSH median total margin in FY11Q3 was lower than the Non-DSH median by 2.7 percentage points.

Cohort Comparison

Median Total Margin by Cohort

	FY07	FY08	FY09	FY10	FY11Q3
Statewide Median (65 hospitals)	3.0%	0.9%	2.2%	2.6%	2.7%
Teaching (15 hospitals)	7.2%	3.9%	5.1%	5.3%	5.6%
Community (50 hospitals)	2.7%	0.8%	1.7%	2.3%	1.8%
DSH (26 hospitals)	2.7%	-0.4%	1.1%	1.9%	1.4%
Non-DSH (39 hospitals)	4.2%	1.0%	2.5%	3.1%	4.1%

Massachusetts Acute Hospital Total Margin, FY11Q3

Hospital Name	Type	Total Margin
Children's Hospital Boston	T	13.9%
Sturdy Memorial Hospital		10.6%
Harrington Memorial Hospital		9.9%
Mount Auburn Hospital	T	9.6%
Falmouth Hospital	D	8.6%
Massachusetts General Hospital	T	8.2%
Lahey Clinic	T	8.1%
Baystate Medical Center	T D	8.0%
Northeast Hospital		7.8%
Signature Healthcare Brockton Hospital	D	7.4%
Cape Cod Hospital	D	7.0%
Saint Vincent Hospital	T D	6.9%
Hallmark Health		6.3%
Cooley Dickinson Hospital		6.2%
Newton-Wellesley Hospital		5.9%
Berkshire Medical Center	D	5.8%
Brigham and Women's Hospital	T	5.6%
Beth Israel Deaconess Medical Center	T	5.6%
Southcoast Hospitals Group	D	5.5%
Lowell General Hospital		5.2%
Steward Saint Anne's Hospital	D	4.8%
UMass Memorial Medical Center	T	4.6%
South Shore Hospital		4.6%
New England Baptist Hospital		4.6%
Health Alliance Hospital		4.4%
Milford Regional Medical Center		4.4%
Fairview Hospital		4.2%
Winchester Hospital		4.1%
Clinton Hospital	D	3.6%
Nashoba Valley Medical Center		3.3%
Marlborough Hospital		3.0%
Dana-Farber Cancer Institute	T	3.0%
Lawrence General Hospital	D	2.7%
Jordan Hospital		2.0%
Steward Good Samaritan Medical Center	D	1.9%
Mercy Medical Center	D	1.7%
Holyoke Medical Center	D	1.6%
Heywood Hospital		1.4%
Wing Memorial Hospital and Medical Centers	D	1.3%
Martha's Vineyard Hospital		1.1%
Emerson Hospital		0.4%
Morton Hospital and Medical Center	D	0.3%
Tufts Medical Center	T	0.0%
Steward Holy Family Hospital		0.0%
Milton Hospital		-0.2%
Anna Jaques Hospital		-0.3%
Faulkner Hospital		-0.6%
Beth Israel Deaconess Hospital-Needham		-1.0%
Steward Norwood Hospital		-1.5%
Athol Memorial Hospital	D	-2.3%
Massachusetts Eye and Ear Infirmary	T	-2.6%
North Shore Medical Center	D	-3.0%
Saints Medical Center	D	-3.1%
Steward Carney Hospital, Inc.	D	-3.2%
North Adams Regional Hospital	D	-3.2%
Boston Medical Center	T D	-3.5%
Noble Hospital	D	-4.3%
MetroWest Medical Center		-4.5%
Steward St. Elizabeth's Medical Center	T D	-6.3%
Baystate Franklin Medical Center		-7.3%
Cambridge Health Alliance	T D	-7.4%
Merrimack Valley Hospital	D	-7.5%
Baystate Mary Lane Hospital		-10.6%
Quincy Medical Center	D	-10.9%
Nantucket Cottage Hospital		-21.3%

Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Profitability

Liquidity

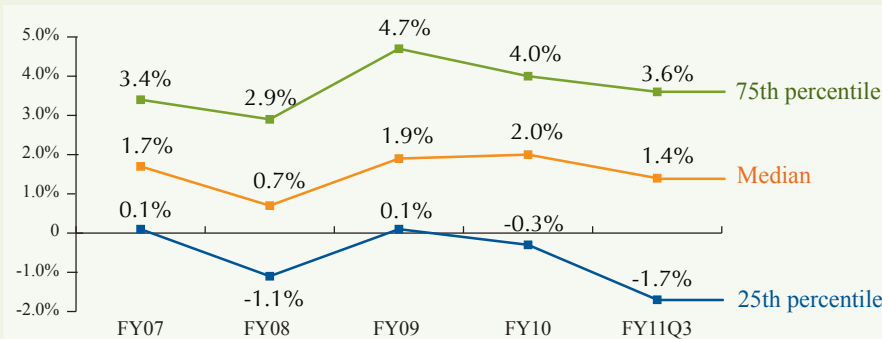
Solvency

Profitability measures a hospital's ability to generate earnings as compared to its expenses and is expressed here by three ratios: total margin, operating margin, and non-operating margin.

Operating Margin

Operating Margin reflects revenues and expenses associated with patient care activities, but does not include investments, research, and other non-operating expenses. In FY11Q3, the median operating margin (1.4%) declined and was lower than three out of four previous periods shown, including FY10 results (2.0%).

Acute Hospital Operating Margin



Benchmark: Northeast US median FY09 = 1.16%
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2011)

- Most hospitals (60%) reported earning an operating surplus, although the number reporting a surplus was fewer than in FY10 (75%).
- The median operating margin at both community hospitals and teaching hospitals declined to 1.2% and 3.5%, respectively.
- Disproportionate Share Hospitals showed no significant loss in median operating margin for FY11Q3.

Cohort Comparison

Median Operating Margin by Cohort

	FY07	FY08	FY09	FY10	FY11Q3
Statewide Median (65 hospitals)	1.7%	0.7%	1.9%	2.0%	1.4%
Teaching (15 hospitals)	3.1%	4.1%	5.0%	4.2%	3.5%
Community (50 hospitals)	1.4%	0.4%	1.5%	1.6%	1.2%
DSH (26 hospitals)	0.3%	0.7%	1.3%	1.2%	1.1%
Non-DSH (39 hospitals)	2.3%	0.7%	2.2%	2.4%	2.4%

Massachusetts Acute Hospital Operating Margin, FY11Q3

Hospital Name	Type	Operating Margin
Falmouth Hospital	D	7.5%
Massachusetts General Hospital	T	7.4%
Saint Vincent Hospital	T D	6.9%
Cooley Dickinson Hospital		6.6%
Children's Hospital Boston	T	6.6%
Signature Healthcare Brockton Hospital	D	6.5%
Newton-Wellesley Hospital		6.3%
Cape Cod Hospital	D	6.0%
Lahey Clinic	T	5.6%
Brigham and Women's Hospital	T	5.6%
Mount Auburn Hospital	T	4.8%
Steward Saint Anne's Hospital	D	4.5%
Hallmark Health		4.3%
Milford Regional Medical Center		3.7%
UMass Memorial Medical Center	T	3.7%
Berkshire Medical Center	D	3.7%
Sturdy Memorial Hospital		3.6%
Baystate Medical Center	T D	3.5%
Lowell General Hospital		3.5%
Nashoba Valley Medical Center		3.3%
Harrington Memorial Hospital		3.3%
Health Alliance Hospital		3.3%
Southcoast Hospitals Group	D	3.2%
Winchester Hospital		3.1%
Beth Israel Deaconess Medical Center	T	2.9%
South Shore Hospital		2.6%
Fairview Hospital		2.4%
New England Baptist Hospital		2.4%
Clinton Hospital	D	2.3%
Lawrence General Hospital	D	2.3%
Northeast Hospital		1.8%
Jordan Hospital		1.6%
Steward Good Samaritan Medical Center	D	1.4%
Holyoke Medical Center	D	1.3%
Wing Memorial Hospital and Medical Centers	D	1.1%
Mercy Medical Center	D	1.0%
Anna Jaques Hospital		0.8%
Marlborough Hospital		0.6%
Emerson Hospital		0.0%
Steward Holy Family Hospital		-0.2%
Tufts Medical Center	T	-0.5%
Martha's Vineyard Hospital		-0.6%
Faulkner Hospital		-0.6%
Morton Hospital and Medical Center	D	-1.0%
Heywood Hospital		-1.3%
Milton Hospital		-1.3%
Beth Israel Deaconess Hospital-Needham		-1.5%
Steward Norwood Hospital		-1.6%
Massachusetts Eye and Ear Infirmary	T	-1.7%
Athol Memorial Hospital	D	-2.6%
North Shore Medical Center	D	-3.1%
Steward Carney Hospital, Inc.	D	-3.2%
Saints Medical Center	D	-3.4%
North Adams Regional Hospital	D	-3.4%
Boston Medical Center	T D	-4.3%
MetroWest Medical Center		-4.5%
Noble Hospital	D	-4.5%
Steward St. Elizabeth's Medical Center	T D	-6.4%
Dana-Farber Cancer Institute	T	-6.8%
Merrimack Valley Hospital	D	-7.5%
Baystate Franklin Medical Center		-8.0%
Cambridge Health Alliance	T D	-8.6%
Quincy Medical Center	D	-10.4%
Baystate Mary Lane Hospital		-11.8%
Nantucket Cottage Hospital		-30.0%

Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Profitability

Liquidity

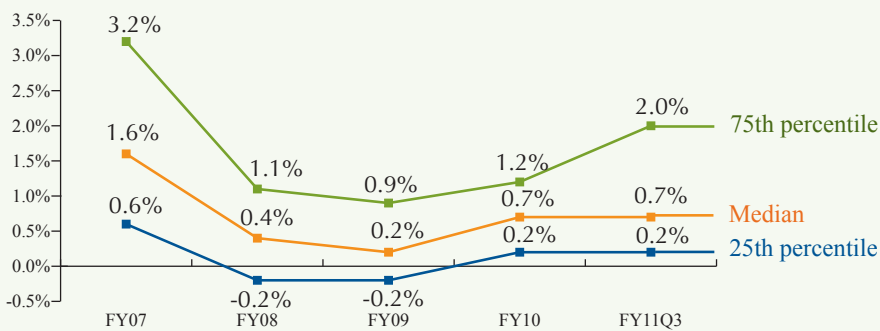
Solvency

Profitability measures a hospital's ability to generate earnings as compared to its expenses and is expressed here by three ratios: total margin, operating margin, and non-operating margin.

Non-Operating Margin

Non-Operating Margin is the ratio of non-operating income to total revenue. It includes items that are not related to operations such as investment income, contributions, gains or losses from the sale of assets, and other unrelated business activities. In FY11Q3, the median non-operating margin held steady at 0.7%. Hospitals in the upper quartile experienced the largest increase in non-operating gains. The median increased from 1.2% in FY10 to 2.0% in FY11Q3 due to positive investment performance.

Acute Hospital Non-Operating Margin



Benchmark: Northeast US median FY09 = 0.34%
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2011)

- Sixty out of sixty-five hospitals (92%) reported non-operating gains in FY11Q3, the same as FY10.
- Four hospitals' non-operating gains were enough to fully compensate for operating losses and allow them to post a positive total operating margin (Dana-Farber Cancer Institute, Heywood Hospital, Martha's Vineyard Hospital, and Morton Hospital).
- The median non-operating margin for teaching hospitals (0.9%) declined from FY10 while the median non-operating margin at community hospitals (0.7%) improved.
- In FY11Q3, the non-operating margin at Disproportionate Share Hospitals (0.3%) declined slightly while the median for Non-Disproportionate Share Hospitals (1.1%) saw an increase from FY10.

Cohort Comparison

Median Non-Operating Margin by Cohort

	FY07	FY08	FY09	FY10	FY11Q3
Statewide Median (65 hospitals)	1.6%	0.4%	0.2%	0.7%	0.7%
Teaching (15 hospitals)	4.6%	-0.1%	1.0%	1.2%	0.9%
Community (50 hospitals)	1.4%	0.5%	0.2%	0.5%	0.7%
DSH (26 hospitals)	1.6%	0.2%	0.1%	0.4%	0.3%
Non-DSH (39 hospitals)	1.8%	0.5%	0.2%	0.7%	1.1%

Massachusetts Acute Hospital Non-Operating Margin, FY11Q3

Hospital Name	Type	Non-Operating Margin
Dana-Farber Cancer Institute	T	9.8%
Nantucket Cottage Hospital		8.7%
Children's Hospital Boston	T	7.3%
Sturdy Memorial Hospital		6.9%
Harrington Memorial Hospital		6.6%
Northeast Hospital		5.9%
Mount Auburn Hospital	T	4.7%
Baystate Medical Center	T D	4.5%
Heywood Hospital		2.7%
Beth Israel Deaconess Medical Center	T	2.6%
Lahey Clinic	T	2.5%
Marlborough Hospital		2.4%
Southcoast Hospitals Group	D	2.3%
Berkshire Medical Center	D	2.1%
New England Baptist Hospital		2.1%
Hallmark Health		2.0%
South Shore Hospital		2.0%
Martha's Vineyard Hospital		1.7%
Fairview Hospital		1.7%
Lowell General Hospital		1.7%
Morton Hospital and Medical Center	D	1.3%
Clinton Hospital	D	1.2%
Baystate Mary Lane Hospital		1.2%
Health Alliance Hospital		1.2%
Cambridge Health Alliance	D	1.2%
Milton Hospital		1.1%
Falmouth Hospital	D	1.1%
Winchester Hospital		1.0%
Cape Cod Hospital	D	1.0%
UMass Memorial Medical Center	T	0.9%
Signature Healthcare Brockton Hospital	D	0.9%
Boston Medical Center	D	0.8%
Massachusetts General Hospital	T	0.7%
Mercy Medical Center	D	0.7%
Baystate Franklin Medical Center		0.7%
Milford Regional Medical Center		0.6%
Tufts Medical Center	T	0.5%
Steward Good Samaritan Medical Center	D	0.5%
Beth Israel Deaconess Hospital-Needham		0.4%
Jordan Hospital		0.4%
Lawrence General Hospital	D	0.4%
Emerson Hospital		0.3%
Holyoke Medical Center	D	0.3%
Noble Hospital	D	0.3%
Athol Memorial Hospital	D	0.3%
Saints Medical Center	D	0.2%
Steward Saint Anne's Hospital	D	0.2%
Wing Memorial Hospital and Medical Centers	D	0.2%
North Adams Regional Hospital	D	0.2%
Steward St. Elizabeth's Medical Center	D	0.2%
Steward Norwood Hospital		0.1%
Steward Holy Family Hospital		0.1%
North Shore Medical Center	D	0.1%
MetroWest Medical Center		0.1%
Steward Carney Hospital, Inc.	D	0.1%
Faulkner Hospital		0.0%
Brigham and Women's Hospital	T	0.0%
Merrimack Valley Hospital	D	0.0%
Saint Vincent Hospital	T D	0.0%
Nashoba Valley Medical Center		0.0%
Newton-Wellesley Hospital		-0.3%
Cooley Dickinson Hospital		-0.5%
Quincy Medical Center	D	-0.5%
Massachusetts Eye and Ear Infirmary	T	-0.9%
Anna Jaques Hospital		-1.1%

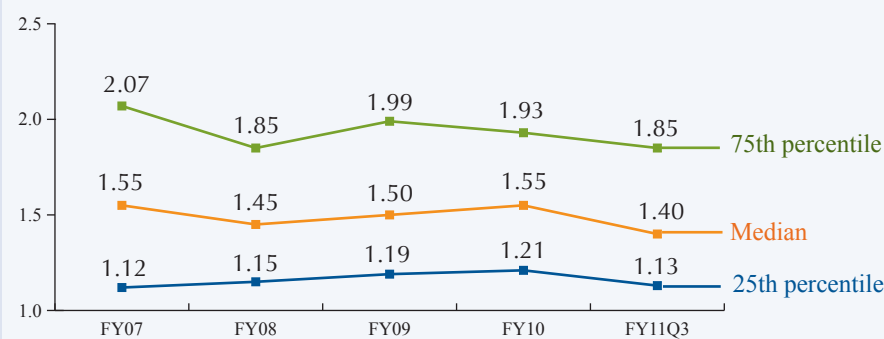
Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Liquidity refers to assets readily convertible into cash. It is a measure of how quickly assets can be converted into cash to meet current liabilities.

Current Ratio

Current Ratio measures short-term financial health and indicates whether a hospital is able to meet current liabilities with current assets. The higher the current ratio, the more financially stable a hospital is in the short-term.

Acute Hospital Current Ratio



Benchmark⁴: Northeast US median FY09 = 1.53
(Almanac of Hospital Financial and Operating Indicators. INGENIX, 2011)

- The median current ratio declined from 1.55 in FY10 to 1.40 in FY11Q3, indicating that a hospital's ability to meet current debt payments with cash and other current assets deteriorated in FY11Q3.
- Fifty-six out of sixty-five hospitals (86%) were able to pay their current obligations with current assets.
- The median current ratio at teaching hospitals remains above the statewide median, but declined slightly to 1.52 in FY11Q3 from FY10 (1.55). The median current ratio for community hospitals fell to 1.40 in FY11Q3, from 1.55 in FY10.
- Disproportionate Share Hospitals experienced the largest decline in the median current ratio, falling from 1.39 in FY10 to 1.18 in FY11Q3.

Cohort Comparison

Median Current Ratio by Cohort

	FY07	FY08	FY09	FY10	FY11Q3
Statewide Median (65 hospitals)	1.55	1.45	1.50	1.55	1.40
Teaching (15 hospitals)	1.58	1.46	1.50	1.55	1.52
Community (50 hospitals)	1.49	1.44	1.49	1.55	1.40
DSH (26 hospitals)	1.50	1.33	1.33	1.39	1.18
Non-DSH (39 hospitals)	1.59	1.48	1.62	1.57	1.52

Massachusetts Acute Hospital Current Ratio, FY11Q3

Hospital Name	Type	Current Ratio
Sturdy Memorial Hospital		10.38
Children's Hospital Boston	T	6.81
Mount Auburn Hospital	T	4.15
New England Baptist Hospital		3.20
Lahey Clinic	T	3.15
Milford Regional Medical Center		3.14
Hallmark Health		3.13
Beth Israel Deaconess Medical Center	T	3.07
Mercy Medical Center	D	2.89
Baystate Medical Center	T D	2.79
Lawrence General Hospital	D	2.68
Clinton Hospital	D	2.60
Anna Jaques Hospital		2.56
North Adams Regional Hospital	D	2.46
Cooley Dickinson Hospital		2.22
Martha's Vineyard Hospital		1.93
UMass Memorial Medical Center	T	1.85
Southcoast Hospitals Group	D	1.84
Health Alliance Hospital		1.81
Milton Hospital		1.75
Lowell General Hospital		1.68
Wing Memorial Hospital and Medical Centers	D	1.59
Winchester Hospital		1.59
Saint Vincent Hospital	T D	1.59
Marlborough Hospital		1.58
Northeast Hospital		1.54
Beth Israel Deaconess Hospital-Needham		1.25
Massachusetts General Hospital	T	1.52
Brigham and Women's Hospital	T	1.51
Emerson Hospital		1.49
Baystate Mary Lane Hospital		1.47
Massachusetts Eye and Ear Infirmary	T	1.41
MetroWest Medical Center		1.40
Newton-Wellesley Hospital		1.40
Falmouth Hospital	D	1.40
Jordan Hospital		1.40
Dana-Farber Cancer Institute	T	1.38
North Shore Medical Center	D	1.36
Tufts Medical Center	T	1.34
Boston Medical Center	D	1.32
Baystate Franklin Medical Center		1.27
Cape Cod Hospital	D	1.24
Faulkner Hospital		1.24
Harrington Memorial Hospital		1.22
Saints Medical Center	D	1.18
Athol Memorial Hospital	D	1.17
South Shore Hospital		1.14
Berkshire Medical Center	D	1.13
Holyoke Medical Center	D	1.13
Merrimack Valley Hospital	D	1.10
Nashoba Valley Medical Center		1.08
Fairview Hospital		1.06
Steward Good Samaritan Medical Center	D	1.03
Quincy Medical Center	D	1.02
Heywood Hospital		1.00
Morton Hospital and Medical Center	D	1.00
Signature Healthcare Brockton Hospital	D	0.76
Steward St. Elizabeth's Medical Center	D	0.71
Steward Holy Family Hospital		0.63
Cambridge Health Alliance	T D	0.59
Steward Norwood Hospital		0.58
Noble Hospital	D	0.52
Steward Carney Hospital, Inc.	D	0.46
Nantucket Cottage Hospital		0.35
Steward Saint Anne's Hospital	D	0.34

Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

Profitability

Liquidity

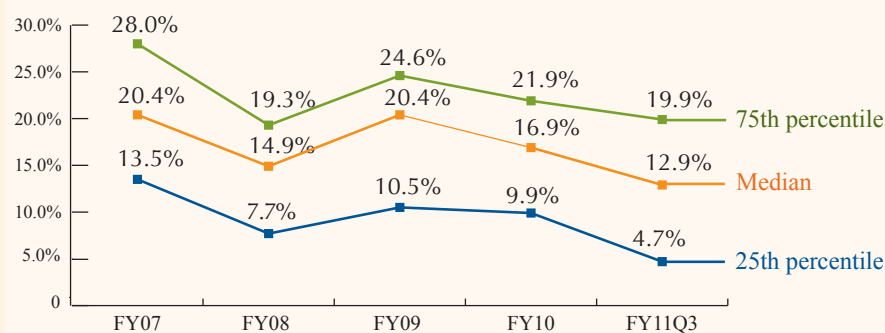
Solvency

Solvency measures the ability of a hospital to meet its total debt obligations and is generally an indicator of long-term financial health.

Cash Flow

Cash Flow to Total Debt is the ratio of current cash flow to total long-term debt. The lower this ratio, the more likely a hospital may find it difficult to meet current and long-term financing needs.

Acute Hospital Cash Flow to Total Debt



Benchmark⁵: Northeast US median FY09 = 14.6%

- The statewide median cash flow to total debt ratio decreased to 12.9% in FY11Q3 from 16.9% in FY10.
- At teaching hospitals, the median cash flow to total debt ratio declined to 16.2%, from 18.7% in FY10, while the ratio at community hospitals declined to 12.3%, from 15.5% in FY10.
- The median Disproportionate Share Hospital cash flow to total debt ratio declined by 6 percentage points to 9.6% in FY11Q3 from 15.6% in FY10.

Cohort Comparison

Median Cash Flow to Total Debt, by Cohort

	FY07	FY08	FY09	FY10	FY11Q3
Statewide Median (65 hospitals)	20.4%	14.9%	20.4%	16.9%	12.9%
Teaching (15 hospitals)	22.2%	16.4%	21.6%	18.7%	16.2%
Community (50 hospitals)	19.0%	14.8%	18.8%	15.5%	12.3%
DSH (26 hospitals)	19.0%	8.4%	19.5%	15.6%	9.6%
Non-DSH (39 hospitals)	20.7%	15.8%	20.5%	17.3%	14.4%

Massachusetts Acute Hospital Cash Flow to Total Debt, FY11Q3

Hospital Name	Type	Cash Flow to Total Debt
Sturdy Memorial Hospital		117.2%
Saint Vincent Hospital	T D	100.6%
Harrington Memorial Hospital		42.7%
Nashoba Valley Medical Center		40.3%
Health Alliance Hospital		37.4%
Steward Good Samaritan Medical Center	D	36.2%
Massachusetts General Hospital	T	34.7%
Clinton Hospital	D	33.2%
Falmouth Hospital	D	33.2%
Lahey Clinic	T	31.9%
Signature Healthcare Brockton Hospital	D	23.5%
Children's Hospital Boston	T	23.5%
Mount Auburn Hospital	T	23.2%
Steward Saint Anne's Hospital	D	22.3%
Fairview Hospital		22.2%
Northeast Hospital		20.9%
Southcoast Hospitals Group	D	19.9%
Lawrence General Hospital	D	19.1%
Cooley Dickinson Hospital		18.6%
Hallmark Health		18.4%
Brigham and Women's Hospital	T	18.3%
Cape Cod Hospital	D	18.1%
Beth Israel Deaconess Medical Center	T	17.4%
Berkshire Medical Center	D	16.7%
UMass Memorial Medical Center	T	16.2%
Marlborough Hospital		16.1%
New England Baptist Hospital		16.0%
South Shore Hospital		16.0%
Newton-Wellesley Hospital		15.8%
Baystate Medical Center	T D	15.5%
Martha's Vineyard Hospital		14.4%
Steward Holy Family Hospital		13.0%
Holyoke Medical Center	D	12.9%
Dana-Farber Cancer Institute	T	12.7%
Milford Regional Medical Center		12.4%
Faulkner Hospital		12.2%
Lowell General Hospital		11.1%
Wing Memorial Hospital and Medical Centers	D	11.0%
Emerson Hospital		9.7%
Steward Norwood Hospital		9.5%
Heywood Hospital		9.4%
Morton Hospital and Medical Center	D	8.1%
Mercy Medical Center	D	8.1%
Anna Jaques Hospital		8.0%
Winchester Hospital		7.1%
Jordan Hospital		6.5%
Milton Hospital		6.1%
Massachusetts Eye and Ear Infirmary	T	6.0%
Beth Israel Deaconess Hospital-Needham		4.6%
Tufts Medical Center	T	4.6%
Boston Medical Center	T D	3.3%
North Shore Medical Center	D	2.3%
North Adams Regional Hospital	D	1.6%
Saints Medical Center	D	1.5%
Noble Hospital	D	0.6%
Athol Memorial Hospital	D	-0.6%
Steward Carney Hospital, Inc.	D	-0.7%
MetroWest Medical Center		-4.0%
Steward St. Elizabeth's Medical Center	T D	-4.4%
Baystate Franklin Medical Center		-5.3%
Merrimack Valley Hospital	D	-5.5%
Quincy Medical Center	D	-6.6%
Cambridge Health Alliance	T D	-10.8%
Nantucket Cottage Hospital		-15.0%
Baystate Mary Lane Hospital		-28.2%

Key: T: Teaching Hospital,
D: Disproportionate Share Hospital

⁵ Benchmark Source: Almanac of Hospital Financial and Operating Indicators. INGENIX, 2011

Acute Hospital Financial Performance, By Hospital System: FY11 Q3

(continued on next page)

Multi-Hospital Systems					
Hospital Name	Type	Total Margin	Operating Margin	Non-Operating Margin	Profit (Loss)
Baystate Health Inc., and Subsidiaries					\$49,424,000
Baystate Franklin Medical Center		-7.29%	-7.97%	0.68%	(\$4,110,000)
Baystate Mary Lane Hospital		-10.57%	-11.76%	1.19%	(\$2,240,000)
Baystate Medical Center	T D	8.03%	3.53%	4.50%	\$55,774,000
Berkshire Health Systems					\$15,892,558
Berkshire Medical Center	D	5.82%	3.67%	2.15%	\$14,571,420
Fairview Hospital		4.16%	2.44%	1.72%	\$1,321,138
Cape Cod Health Care and Affiliates					\$30,596,715
Cape Cod Hospital	D	6.96%	5.98%	0.98%	\$21,289,100
Falmouth Hospital	D	8.55%	7.47%	1.08%	\$9,307,615
Care Group					\$88,009,660
Beth Israel Deaconess- Needham		-1.04%	-1.46%	0.43%	(\$429,226)
Beth Israel Deaconess Medical Center	T	5.56%	2.92%	2.64%	\$58,338,000
Milton Hospital		-0.19%	-1.32%	1.13%	(\$95,723)
Mount Auburn Hospital	T	9.55%	4.82%	4.73%	\$23,181,609
New England Baptist Hospital		4.56%	2.42%	2.14%	\$7,015,000
Partners Healthcare					\$286,078,981
Brigham and Women's Hospital	T	5.57%	5.55%	0.01%	\$98,209,000
Faulkner Hospital		-0.61%	-0.63%	0.02%	(\$835,000)
Martha's Vineyard Hospital (FY12Q1)*		1.15%	-0.58%	1.73%	\$166,981
Massachusetts General Hospital	T	8.16%	7.43%	0.73%	\$184,630,000
Nantucket Cottage Hospital		-21.29%	-29.96%	8.67%	(\$4,131,000)
Newton-Wellesley Hospital		5.94%	6.28%	-0.34%	\$17,623,000
North Shore Medical Center	D	-3.01%	-3.10%	0.09%	(\$9,584,000)
Steward Health Care System					(\$19,961,236)
Carney Hospital, Inc.	D	-3.17%	-3.24%	0.07%	(\$2,834,381)
Good Samaritan Medical Center	D	1.86%	1.40%	0.46%	\$2,847,108
Holy Family Hospital		-0.03%	-0.15%	0.12%	(\$37,480)
Merrimack Valley Hospital	D	-7.53%	-7.53%	0.00%	(\$3,021,974)
Morton Hospital and Medical Center	D	0.35%	-0.98%	1.33%	\$331,836
Nashoba Valley Medical Center		3.29%	3.29%	0.00%	\$1,085,440
Norwood Hospital		-1.48%	-1.62%	0.14%	(\$1,928,984)
Quincy Medical Center	D	-10.85%	-10.35%	-0.50%	(\$8,262,205)
Saint Anne's Hospital	D	4.77%	4.54%	0.23%	\$6,194,100
St. Elizabeth's Medical Center	T D	-6.28%	-6.43%	0.15%	(\$14,334,696)
UMass Memorial Health Care, Inc. and Affiliates					\$57,130,014
Clinton Hospital	D	3.56%	2.34%	1.22%	\$706,000
Health Alliance Hospital		4.41%	3.25%	1.16%	\$5,509,443
Marlborough Hospital		3.04%	0.59%	2.45%	\$1,755,000
UMass Memorial Medical Center	T	4.64%	3.71%	0.94%	\$48,290,571
Wing Memorial Hospital	D	1.26%	1.07%	0.20%	\$869,000
Vanguard Health Systems					\$11,250,605
MetroWest Medical Center (FY11)*		-4.46%	-4.54%	0.08%	(\$11,428,217)
Saint Vincent Hospital (FY11)*	T D	6.91%	6.91%	0.00%	\$22,678,822

Key: T: Teaching Hospital, D: Disproportionate Share Hospital

Notes: Profitability percentages may not add due to rounding

* Most calculations on this page use data reported by hospitals on an October 1 to September 30 fiscal year. Hospitals noted with an asterisk use alternative fiscal year periods.

Acute Hospital Financial Performance, By Hospital System: FY11 Q3

(continued from previous page)

Individual Hospitals					
Hospital Name	Type	Total Margin	Operating Margin	Non-Operating Margin	Profit (Loss)
Anna Jaques Hospital		-0.30%	0.78%	-1.08%	(\$240,479)
Athol Memorial Hospital	D	-2.29%	-2.57%	0.28%	(\$373,458)
Boston Medical Center	T D	-3.46%	-4.29%	0.83%	(\$25,199,000)
Cambridge Health Alliance (FY11)*	T D	-7.44%	-8.60%	1.16%	(\$36,884,920)
Children's Hospital Boston	T	13.86%	6.60%	7.26%	\$148,335,000
Cooley Dickinson Hospital		6.15%	6.64%	-0.49%	\$7,490,142
Dana-Farber Cancer Institute	T	3.03%	-6.79%	9.82%	\$22,446,138
Emerson Hospital		0.37%	0.03%	0.34%	\$496,321
Hallmark Health		6.31%	4.28%	2.03%	\$13,541,000
Harrington Memorial Hospital		9.90%	3.28%	6.61%	\$8,982,318
Heywood Hospital		1.41%	-1.29%	2.70%	\$1,067,952
Holyoke Medical Center	D	1.61%	1.32%	0.29%	\$1,444,183
Jordan Hospital		2.05%	1.63%	0.41%	\$3,056,945
Lahey Clinic	T	8.06%	5.58%	2.48%	\$58,837,853
Lawrence General Hospital	D	2.72%	2.33%	0.39%	\$3,871,000
Lowell General Hospital		5.22%	3.52%	1.71%	\$10,003,410
Massachusetts Eye and Ear Infirmary	T	-2.56%	-1.67%	-0.89%	(\$3,842,520)
Mercy Medical Center (FY11Q2)*	D	1.73%	1.04%	0.69%	\$1,826,385
Milford Regional Medical Center		4.37%	3.73%	0.63%	\$6,297,170
Noble Hospital	D	-4.26%	-4.54%	0.28%	(\$1,692,067)
North Adams Regional Hospital	D	-3.20%	-3.39%	0.19%	(\$1,485,581)
Northeast Hospital		7.78%	1.83%	5.95%	\$19,683,548
Saints Medical Center	D	-3.15%	-3.38%	0.23%	(\$3,333,000)
Signature Healthcare Brockton Hospital	D	7.43%	6.50%	0.93%	\$12,134,138
South Shore Hospital		4.59%	2.57%	2.02%	\$15,397,363
Southcoast Hospitals Group	D	5.49%	3.22%	2.27%	\$28,284,639
Sturdy Memorial Hospital		10.57%	3.63%	6.94%	\$13,093,976
Tufts Medical Center	T	-0.03%	-0.50%	0.47%	(\$132,000)
Winchester Hospital		4.08%	3.08%	1.00%	\$8,298,107

Key: T: Teaching Hospital, D: Disproportionate Share Hospital

Notes: Profitability percentages may not add due to rounding

* Most calculations on this page use data reported by hospitals on an October 1 to September 30 fiscal year. Hospitals noted with an asterisk use alternative fiscal year periods.



This report is prepared in response to M.G.L. c. 118G, section 6A, which requires the Division of Health Care Finance and Policy (DHCFP) to assess and report on Massachusetts acute hospital financial performance. This report provides a statewide analysis of acute hospital financial data over five periods (fiscal year 2007 through quarter three of fiscal year 2011). The most recently available data as of June 30, 2011 is used for fiscal year 2011, quarter three reporting (FY11Q3). The fiscal year for Cambridge Health Alliance, MetroWest Medical Center, and Saint Vincent Hospital ends on 6/30, Martha's Vineyard ends on 3/31, and Mercy Medical Center ends on 12/31. The most recently available data is used for these five hospitals. Depending on the organization of each hospital, data may exclude other aspects of financial health, such as the financial performance of endowments, or the financial health of parent companies or other affiliated organizations.

Quartile values can shed light on information about the distribution of financial measures across hospitals. Averages can often be materially affected by outlier/extreme values at the low and high ends of a distribution. Examining quartiles, therefore, is a preferred means of assessing the overall distribution of values across hospitals. The ratio values of one-quarter of the hospitals at the lower end of the distribution will fall at or below the 25th quartile value. Similarly, the ratio values of one-quarter of the hospitals at the upper end of the distribution will fall at or above the 75th quartile value. The 50th percentile is the median of the distribution of values. Half of the hospitals' financial ratio values will fall below the median, and half will fall above the median. These quartile measures are particularly useful when a distribution is markedly skewed, or where it is generally symmetrical but includes a few outliers.

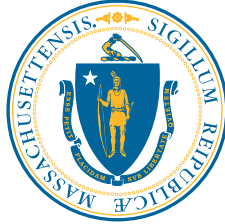
Teaching Hospital (TCH): The Medicare Payment Advisory Commission (MedPAC) defines a major teaching hospital as having at least 25 full-time equivalent medical school residents per one hundred inpatient beds. Based on this definition, and using a 2006 base year, the 15 hospitals listed below were assigned to the teaching cohort for all years of this analysis. All other hospitals were designated as community hospitals.

Baystate Medical Center	Massachusetts Eye and Ear Infirmary
Beth Israel Deaconess Medical Center	Massachusetts General Hospital
Boston Medical Center	Mount Auburn Hospital
Brigham and Women's Hospital	Saint Vincent Hospital
Cambridge Health Alliance	Steward St. Elizabeth's Medical Center
Children's Hospital Boston	Tufts Medical Center
Dana-Farber Cancer Institute	UMass Memorial Medical Center
Lahey Clinic	

Disproportionate Share Hospital (DSH): Hospitals with 63% or more of patient charges attributed to Medicare, Medicaid, and other government payers, including Commonwealth Care and Health Safety Net. The 26 hospitals listed below were assigned to the Disproportionate Share Hospital cohort of this analysis because of their high proportions of public payers. All the remaining hospitals were designated as Non-Disproportionate Share Hospitals.

Athol Memorial Hospital	North Adams Regional Hospital
Baystate Medical Center	North Shore Medical Center
Berkshire Medical Center	Saint Vincent Hospital
Boston Medical Center	Saints Medical Center
Cambridge Health Alliance	Signature Healthcare Brockton
Cape Cod Hospital	Southcoast Health Systems
Clinton Hospital	Steward Carney Hospital
Falmouth Hospital	Steward Good Samaritan Medical Center
Holyoke Hospital	Steward Morton Hospital
Lawrence General Hospital	Steward Quincy Medical Center
Mercy Hospital	Steward St. Anne's Hospital
Merrimack Valley Hospital	Steward St. Elizabeth's Medical Center
Noble Hospital	Wing Memorial Hospital

Individual hospital fact sheets are available on DHCFP's website at www.mass.gov/dhcfp.



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